

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 OPIC-12 EB-11 COME-00 INT-08 TRSE-00

XMB-07 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03 NSAE-00

NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20 USIE-00 INRE-00

NSCE-00 SSO-00 OMB-01 FRB-03 NEA-14 CIEP-02 DRC-01

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O R 191920Z JUL 74 ZFF-4

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC NIACT IMMEDIATE 0026

INFO AMEMBASSY KINGSTON

AMCONSUL PARAMARIBO BY POUCH

UNCLAS SECTION 1 OF 2 GEORGETOWN 1249

E.O. 11652: N/A

TAGS: EMIN, PFOR, GY

SUBJECT: "NEW YORK TIMES" ARTICLE REGARDING GOG'S INTENTIONS TO
NATIONALIZE REYNOLDS' HOLDINGS

REF: GEORGETOWN 1128, STATE 152718

1. TRANSCRIPT OF BURNHAM SPEECH JULY 14 MADE BY GOG FROM TAPE,
BUT BEING HELD FOR REVIEW BY BURNHAM UPON HIS RETURN THIS
WEEKEND. INFORMATION MINISTRY INFORMS US IT WILL BE RELEASED
JULY 22 AT EARLIEST. OBVIOUSLY, TEXT MAY BE CHANGED.

2. EMBASSY HAS, THEREFORE, OBTAINED TAPE OF SPEECH,
LISTENED TO ENTIRETY AND TRANSCRIBED MOST SIGNIFICANT PORTIONS.
KEY SEGEMENTS OF SPEECH ARE AS FOLLOWS:

EXCEPT A: QUOTE. AND LET ME SAY THIS FURTHER, THAT SUBSE-
QUENT TO THE NATIONALIZATION OF DEMBA AND ITS METAMORPHOSIS TO
GUYBAU THE PRESSURE WHICH WE HAD DID NOT COME FROM CANADA. IT
CAME FROM THE UNITED STATES OF AMERICA WHOSE EXECUTIVE DIRECTOR
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IN THE WORLD BANK OPPOSED A LOAN WHICH GUYANA WAS SUPPOSED TO

GET FOR SEA DEFENSES FROM THAT INTERNATIONAL INSTITUTION. AND INDEED AND IN FACT, IT WAS THE CANADIAN EXECUTIVE DIRECTOR ON THE WORLD BANK, AS MOMINEE OF GUYANA, WHICH SUPPORTED OUR LOAN. WE WERE SUPPORTED ALSO BY COUNTRIES LIKE INDIA AND MEXICO, AND SUBSEQUENTLY WE DID GET THE LOAN IN SPITE OF AMERICAN OPPOSITION.

IN THIS OLYMPIANLY DEMOCRATIC COUNTRY EVERY TOM, DICK AND HARRY, EVERY NITWIT AND EVERY CHARLATAN IS ALLOWED TO SAY WHAT COMES TO HIS LIPS. IT WAS ALLEGED THAT OUR SEEKING CREDIT FROM CHASE MANHATTAN IN NEW YORK AMOUNTED TO A SELL OUT. IT WAS VOICED ABROAD IN THE CARIBBEAN THAT CHASE MANHATTAN LENT US THE MONEY WITH WHICH TO PURCHASE GUYBAU. THE PLAIN FACT OF THE MATTER WHICH SUBSEQUENT EVENTS WILL PROVE, IS THAT WE USED A LINE OF CREDIT THROUGH CHASE MANHATTAN IN NEW YORK TO BE ABLE TO GET CERTAIN REPLACEMENT MACHINERY FROM NORTH AMERICA WHICH WE COULD NOT GET IN OTHER PARTS OF THE WORLD AT THAT TIME. WE HAD SOUGHT TO GET EQUIPMENT FROM OTHER PARTS OF THE WORLD AT THAT TIME BUT AS ANYONE KNOWLEDGEABLE IN THE BAUXITE INDUSTRY WILL TELL YOU, WE PRODUCE GYPSITE AND THE OTHER PLACES FROM WHICH IT MIGHT HAVE BEEN POSSIBLE TO GET THE EQUIPMENT PRODUCE FORTIMITE. AND IN ANY CASE, WE COULD NOT WAIT FOR YEARS TO FIND THE REPLACEMENT EQUIPMENT FOR OUR MACHINES AND FACTORIES AND OUR KILNS IN GUYANA. THAT LINE OF CREDIT HAS BEEN USED AND IS NO LONGER BEING USED. WHATEVER WE DID OWE AT THE TIME WAS PAID OFF IN A MATTER OF MONTHS. BUT I WANT US ON THIS IMPORTANT DAY TO NOTE THIS. THAT THAT IT WAS NOT THE LEADER OF THE PEOPLES NATIONAL CONGRESS WHO IN 1961 TOLD PRESIDENT KENNEDY OF THE UNITED STATES OF AMERICA THAT HE WOULD NOT NATIONALIZE BAUXITE. IT WAS NOT BURNHAM. IT WAS THE LEADER OF THAT ALMOST DEFUNCT POLITICAL PARTY WHO EXERCISES HIS DEMOCRATIC RIGHT TO LIE. IN THE SAME WAY AS WE USED CHASE MANHATTAN CREDIT TO PURCHASE EQUIPMENT, EVEN HIS MECCA, MOSCOW, IS NOW USING CHASE MANHATTAN CREDIT TO DO BUSINESS WITH THE UNITED STATES OF AMERICA.

COMRADES, I WANT ALSO TO SAY THIS, THAT IT WAS NOT THE LEADER OF THE PEOPLES NATIONAL CONGRESS THAT GAVE AN UNDERTAKING TO THE PRESIDENT OF THE OF THE UNITED STATES IN 1961 THAT HE WOULD NOT NATION-

N-ALIZE SUGAR. AGAIN, IT WAS THE LEADER OF THAT NOW ALMOST DEFUNCT UNCLASSIFIED

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POLITICAL PARTY THAT GAVE SUCH AN UNDERTAKING, COLONIAL THAT HE IS, AND FRIGHTENED AS HE IS BY THE VERY PRESENCE OF ANY WHITE MAN, ONE UNDERSTANDS HIS MARRIAGE. END QUOTE

EXCERPT B. QUOTE. IT WAS NO QUESTION OF PICKING ONLY ON THE CANADAISANS BECAUSE ALCAN IS NO CANADIAN COMPANY. ALCAN IS A DISGUISED AMERICAN COMPANY OPERATING THROUGH CANADA. AND WHEN WE TOUCHED ALCAN IT WAS MR. HARPER THE PRESIDENT OF ALCOA WHO

THREATENED DEATH AND DAMNATION AND SAID THAT BURNHAM WILL NOT EXPORT ONE SINGLE LOAD OF BAUXITE. TODAY WE ARE RUNNING HIM OUT OF SOME OF HIS MARKET ESPECIALLY IN THE FIELD OF DRY REFRACTORY BAUXITE. THE SAME STONE THAT THE BUILDER REJECTED HAS BECOME THE HEAD OF THE CORNER. COMRADES, HAVING NATIONALIZED DEMBA WE GOT A GREAT DEAL OF EXPERIENCE. WE LEARNED A GREAT DEAL). OUR CONFIDENCE IMPROVED, INCREASED; AND NOW WE ARE READY TO TACKLE THE LITTLE FELLOW ACROSS THE RIVER KWAKWANI AND EVERTON.

NOW RECENTLY MY GOOD COMRADE HUBERT OLIVER JACK, MINISTER OF ECONOMIC, OF ENERGY AND NATIONAL RESOURCES HAS INVITED REYNOLDS METALS-GUYANA TO DISCUSS THE LEVY WHICH THE GOVERNMENT PROPOSES TO PUT ON THAT COMPANY'S OPERATIONS HERE IN GUYANA. NOW THIS MORNING, AS IS MY WONT, I WAS READING THE NEWSPAPER, AND I NOTED THAT SOME SPOKESMAN FOR A PARTY LED BY A CERTAIN GENTLEMAN NOT FAMED FOR HIS ABILITY IN ARITHMETIC LET ALONE MATHEMATICS, CLAIMED THAT THE LEVY ON REYNOLDS IS BASED ON AN ASSUMED PROFIT OF ONE MILLION DOLLARS A YEAR. COMRADES, LET ME SAY THIS, THAT THAT LEVY WHICH WILL BE IMPOSED WILL BE SEVERAL TIMES, SEVERAL TIMES AND SEVERAL TIMES OVER ONE MILLION DOLLARS. LET THERE BE NO FEAR ABOUT THAT. BUT COMRADES IT IS PROPER TO DISCUSS, AND WE WILL DISCUSS

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COMRADES, WHAT IS THE RATIONALE BEHIND THE IMPOSITION OF THE LEVY ON REYNOLDS? REYNOLDS LOOKS TO GUYANA FOR TEN PERCENT OF ITS BAUXITE PRODUCTION ANNUALLY. REYNOLDS IS AN INTEGRATED MULTI-NATIONAL. FROM THE BAUXITE WHICH IT WINS FROM THE BOWELS OF OUR EARTH IT PRODUCES ALUMINUM. THE PRICE OF ALUMINUM HAS BEEN GOING UP AND UP AND UP, AND COMRADES LET ME SAY THIS, WITHOUT BAUXITE THERE CANNOT BE ALUMINIUM. BUT THE PROFITS OR THE DEEMED PROFITS ON BAUXITE ARE THE LOWEST IN ALL THE PROCESSES. YOU MAKE THE LEAST PROFIT ON THE PROCESSING OF BAUXITE, AND THEN LESS LEAST ON THE PROCESSING OF ALUMINA AND THEN PLENTY MORE ON THE PROCESSING OF ALUMINIUM; AND CONSEQUENTLY, WE HAVE DECIDED, LIKE OUR SISTER CARIBBEAN NATION JAMAICA, THAT WE WILL GET A SUBSTANTIAL SHARE OF THE PROFITS WHICH REYNOLDS MAKES ON THE PRODUCTION OF ALUMINUM FROM OUR BAUXITE. WE ARE DISCUSSING, IT IS GOOD TO DISCUSS, BUT COMRADES A LEVY THERE WILL BE. AND IF THE PROFITS THEY SAY OF REYNOLDS IN GUYANA IS A MILLION DOLLARS LET ME ASSURE YOU, LET ME ASSURE THE PEOPLE OF GUYANA, LET ME ASSURE THE OWNERS OF REYNOLDS THAT TO PAY THE LEVY THEY WILL HAVE TO IMPORT A LARGE PART OF THEIR PROFITS IN ALUMINIUM FROM THE UNITED STATES OF AMERICA TO PAY THE LEVY IMPOSED BY THIS GOVERNMENT. AND LET ME UNCLASSIFIED

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ALSO SAY THIS COMRADES, I KNOW THAT REYNOLDS IS A REPUTABLE COMPANY. IT IS SAID THAT BRUTUS IS AN HONORABLEMAN. I KNOW THAT REYNOLDS WILL NOT BE DISPOSED TO CUT BACK ON PRODUCTION, BUT LET ME REMIND REYNOLDS FROM ALL OF US, THAT AT THE SAME TIME THE NATIONALIZATION ACT WAS PASSED IN 1971 THERE WAS PASSED A MINERALS ACT WHICH GIVES THE GOVERNMENT POWER TO TAKE OVER ANY SUCH OPERATION AND RUN IT THROUGH A CONTROLLER IF THE GOVERNMENT IS OF THE OPINION THAT THOSE AT PRESENT RUNNING THE INDUSTRY PROPOSE TO REDUCE PRODUCTION OR ARE IN FACT REDUCING PRODUCTION. SO COMRADES, IF REYNOLDS WANTS TO RUN DOWN AND TO REDUCE PRODUCTION WE HAVE NOT ONLY THE LEGAL CAPACITY, BUT COMRADES, THE MANAGERIAL AND PHYSICAL CAPACITY SINCE THE NATIONALIZATION OF GUYBAU TO TAKE OVER REYNOLDS AND RUN IT UNTIL WE ARE READY TO NATIONALIZE IT FULLY.

IT IS NECESSARY ALSO AT THIS MOMENT SINCE THERE HAVE BEEN A NUMBER OF MISREPRESENTATIONS ON THIS ISSUE TO SAY THIS, THAT THE LEVY IS NOT A SUBSTITUTION FOR NATIONALIZATION. FROM THIS VERY SPOT IN JULY OF 1973 I PROMISED THAT WE WOULD PROCEED TO NATIONALIZE REYNOLDS. EARLIER THIS YEAR I HAVE ON MORE THAN ONE OCCASION GIVEN THE UNDERTAKING THAT WE WOULD NATIONALIZE REYNOLDS BY THE 31ST OF DECEMBER 1974, AND COMRADES, THAT WILL BE DONE WITH OR WITHOUT LEVY. BUT SINCE THEY ARE STILL HERE, UN-NATIONALIZED UP TO NOW, IT IS INCUMBENT UPON THEM TO PAY THE LEVY WHICH ARISES FROM THE FACT THEY ARE EXPLOTTING OUR RESOURCES AT KWAKWANI AND EVERTON. SO LET ME MAKE IT LUCIDLY CLEAR TO THOSE WHO RUN BUT

CANNOT READ. TOTHOSE WHO HAVE ATTENED SCHOOL BUT HAVE
ACQUIRED NO INTELLIGENCE. THE PRIME MINISTER OF GUYANA IN THESE
CIRCUMSTANCES DOES NOT (SIC) KEEP HIS WORD. WHEN HE GIVES AN
UNDERAKING IT IS WELL GIVEN. REYNOLDS WILL BENATINALIZED, BUT
IN THE MEANTIME, REYNOLDS MUST PAY US WHAT THEY OWE US FOR THE
EXPLOITATION OF OUR BAUXITE. AND I AM HAPPY TO SEE, VERY HAPPY TO
SEE THAT THE REPRESENTATIVES OF THE WORKERS OF KWAKWANI AND EVERTON
ARE BEHIND US IN OUR DESIRE, IN OUR DETERMINATION, NOT TO STOP AT
GUYBAU BUT ALSO TO INCLUDE THE SMALLER OPERATION WHICH WE ARE NOW
IN A POSITION TO RUN AND WHICH NO DOUBT WE SHALL HAVETO INTEGRATE
WITH OUR LARGER UNDERTAKING HERE AT GUYBAU. MATTHEWS

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